

September 1, 2023

Toronto City Council
100 Queen Street W. Toronto, ON.
SENT BY EMAIL TO CITY CLERK

RE: EX7.1 Updated Long-Term Financial Plan

Dear Mayor and Council,

We are writing today to endorse the directions in report EX7.1 Updated Long-term Financial Plan, and highlight the critical need for investment in child care infrastructure and funding model that will achieve equitable access to high-quality, affordable, non-profit child care across Toronto.

Our organizations have been active in the development, delivery and advocacy for early learning and child care for many years, and we care deeply about the needs and futures of children and families in our city. We organize and represent early childhood education workers to improve wages and working conditions, and strive to have the value of their work and profession recognized.

We encourage Toronto City Council to:

- Approve the recommendations contained in the Long Term Financial Plan (LTFP) report and new revenue tools being considered; however, we oppose sale or divestment of important city assets;
- Strengthen intergovernmental advocacy for a sustainable fiscal framework for the city, and engage civil society in these efforts;
- Include child care as one of Toronto’s priorities in its intergovernmental strategy;
- Build child care with housing, wherever possible, as part of the City real estate strategy and the Mayor’s initiative to build new rent-controlled homes and TCHC “complete communities”;
- Call on Ontario and Canada to provide capital funding to meet the City’s child care growth targets, ensure the new provincial “funding formula” that reflects actual costs, increases access to fee subsidies with deeper affordability, and provides equitable salaries and benefits to recruit and retain the child care workforce.

Long-Term Financial Plan Must Include Continued Investment in Social Infrastructure

We support the Long-Term Financial Plan (LTFP) recommendations from the Executive Committee, and believe that directions contained in the plan could make significant progress towards addressing the financial sustainability of the City.

The recommendations, if implemented, could provide much-needed new revenues, establish multi-year operating budgets, coordinate capital planning and asset management, improve contract compliance and provide new investments in housing and social infrastructure. Most importantly, this Plan could provide a strong agenda for a new fiscal framework with the federal and provincial governments.

We oppose the sale of Toronto Hydro, or divesting control of Toronto Water, and do not support any further consideration of monetizing or selling these and other important public assets. We also do not support other options considered in the EY report such as the elimination of subsidized and free recreation and transit programs, reduction in community grants and foregone revenues that support community organizations.

We also believe strongly, that Toronto's future success will depend on tackling our deepening income, health and racial inequalities, and the climate crisis. Toronto must continue to be an effective agent for change—directly delivering and supporting community services, and pressing other orders of government for collaborative solutions, policy and legislative change, and new fiscal structures to address these critical challenges. Toronto must also recognize that building a sustainable, equitable and growing city requires continued significant investments.

Real Estate Assets, Housing and Child Care

Toronto's Long term Financial Plan and real estate strategy must include investments in housing and other social infrastructure, including child care.

In June, City Council considered an [update report on the Canada Wide Early Learning and Child Care Program](#). The report emphasized the urgency of securing new capital funding from the provincial and federal governments to build new or retrofit facilities in the non-profit and public sector to meet the Provincial expansion target (12,000 new licensed spaces, 90% in the non-profit and public sector) and the Toronto Child Care Growth Strategy target (30,000 non-profit, licensed spaces to serve 50% of projected demand with 50% fee reductions).

The City's wait list for a subsidized space is now over 14,000, and while the wait list for full-fee parents is unknown, it is likely well over 60,000, based on previous city reports. The demand for licensed spaces will continue to grow as fee reductions are implemented (50% reductions in 2023 and \$12/day by 2026.)

In June, the federal government announced \$625M in capital funding for all provinces. Toronto will likely receive a 10% share to assist in building new facilities, which would likely build approximately 6 centres and 350 spaces. The province has provided some minor capital start-up funds, but no major capital.

We acknowledge that capital funding should be provided by other levels of government. However, the need for capital is huge, and we believe the City should explore other ways to assist in achieving its own service expansion goals and ensure equitable access to affordable child care across the city.

The General Government Committee considered report GG5.13 [City Building Objectives for the Sale or Transfer of City-Owned Real Estate](#) at its July 2023 meeting. The report sets out the process used to assess city surplus properties and their disposition, and outlines city-building principles, objectives, and opportunities. The report recognizes that CreateTO should "align" its work to achieve City-approved strategic plans, and collaborate with school boards, non-profits and the broader public sector for achieving city-building outcomes.

Recommendation 5.d. in the LTFP report requests staff to continue the review of underutilized city properties and report as part of the 2024 budget process with a:

“ recommended strategy for disposition or change in use as required, with priority consideration given to opportunities which may:

- 1. be leveraged to support affordable housing initiatives;*
- 2. enhance the City's revenue generating potential and/or contribute to the City's goals of long-term financial sustainability; or*
- 3. allow for joint ventures or partnerships which benefit the local community;”*

In undertaking this further review, we believe Toronto’s Child Care Service Plan, Growth Strategy and Provincial directives are clear examples of city-building needs and opportunities, and should be considered in the City’s proposed real estate strategy.

Include child care in the context of expanded housing opportunities:

- Use current planning tools, funding streams, development charges and community benefits to support building child care centres of sufficient size in all significant housing developments;
- Review under-utilized and surplus city buildings for potential conversion to housing and child care use, directly-operated by the City, or in partnership with non-profit community-based agencies, through sale or lease;
- Leverage funds from the sale of surplus properties to support building joint facilities that include affordable housing and child care wherever possible, similar to programs in other jurisdictions;
- Develop other options to establish a capital building fund for non-profit child care such as loan guarantees or revolving loan funds to support conversions, retrofits and new- builds.

Advocacy to Support Toronto’s Child Care Growth Plan

There is a general perception that the new national child care program has “fixed” the child care problems in Canada. Although the federal-provincial agreement has addressed a significant issue - reducing fees - there remain many challenges that require additional policy and funding changes.

We believe the City of Toronto needs to continue strong local leadership and advocacy with both the governments of Canada and Ontario to:

- Increase access to major capital funding to create new non-profit and public child care spaces by continuing to work in partnership with other governments, NGO’s and private development, and cost-sharing through the capital program;
- Take real action to address the ECE staffing crisis--both recruitment and retention--and increase funding for wage, benefits and working condition improvements to achieve parity and equity, and support expansion in Toronto;
- Protect surplus school board properties for community uses, such as community hubs, child care, parent/child centres, recreation and parks;

- Change eligibility policies and increase fee subsidies to provide deeper affordability and ensure equitable access to new spaces for priority communities;
- Ensure expansion takes place in the public and not-for-profit sector;
- Ensure the new provincial funding model: provides flexibility to local service managers for local planning and administration; funds actual local costs and equitable salary increases; and supports equity and inclusion for underserved children, families and communities;
- Provide transparency and accountability to the public for spending and compliance with federal provincial agreements.

We note that this report recommends formally advising the Ontario government that Toronto’s Long Term Care plan to create 978 new beds cannot be achieved without a new provincial funding model. Toronto’s Child Care Growth Plan, which is intended to provide equitable access to child care across the city, will also not be achieved without capital funding from the provincial and federal governments.

New Deal for Toronto:

In closing, we again want to reiterate our support for the new revenue tools being proposed in this report. We endorse fully the City’s advocacy efforts for a new fiscal framework for Toronto, and offer our support in any civic engagement to support it. We strongly encourage the City to include investment in child care, along with housing, transit, shelters, refugee support and long-term care, as a priority in its intergovernmental strategy and Long Term Financial Plan.

Kind regards,

Donna Spreitzer Toronto Community for Better Child Care
Donna@ChildCareToronto.org 416-538-7630

Carolyn Ferns
 Ontario Coalition for Better Child Care

Susan Colley
 Building Blocks for Child Care (B2C2)

Jess Tomas
 CUPE Local 2484

Sultana Jahangir
 South Asian Women's and Immigrant Services

John Weatherup
 CUPE 4400

Alana Powell
 Association of Early Childhood Educators Ontario

